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DE RUEHJA #0017/01 0031015  
ZNR UUUUU ZZH  
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FM AMEMBASSY JAKARTA  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 7552  
INFO RUEHZS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS PRIORITY  
RUEHBJ/AMEMBASSY BEIJING 4620  
RUEHBY/AMEMBASSY CANBERRA 1840  
RUEHNE/AMEMBASSY NEW DELHI 1509  
RUEHKO/AMEMBASSY TOKYO 1383  
RUEHWL/AMEMBASSY WELLINGTON 2217  
RUEHPT/AMCONSUL PERTH 0514  
RHEHNSC/NSC WASHDC  
RUEAWJB/DEPT OF JUSTICE WASHDC  
RUEAIIA/CIA WASHDC  
RUEATRS/DEPT OF TREASURY WASHDC

UNCLAS SECTION 01 OF 02 JAKARTA 000017

SIPDIS

SENSITIVE  
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DEPT FOR EAP, EAP/MTS, EAP/MLS, INR/EAP, INL FOR BOULDIN  
DEPT FOR EEB/IFD/OMA  
DOJ/OPDAT FOR LEHMANN/ALEXANDRE/BERMAN  
SINGAPORE FOR BAKER  
TREASURY FOR IA-BAUKOL  
DEPT PASS FEDERAL RESERVE SAN FRANCISCO FOR FINEMAN  
DEPT PASS EXIM BANK  
DEPT PASS USTR FOR DKATZ, RBAE  
NSC FOR E.PHU

E.O. 12958: N/A  
TAGS: [PGOV](#) [KJUS](#) [KCOR](#) [KMCA](#) [ID](#)  
SUBJECT: CORRUPTION UPDATE -- FORMER ENVOY CONVICTED OF  
GRAFT

REF: A. 07 JAKARTA 3484  
[1](#)B. 07 JAKARTA 3378  
[1](#)C. 07 JAKARTA 3320  
[1](#)D. 07 JAKARTA 3173  
[1](#)E. 07 JAKARTA 2722  
[1](#)F. 07 JAKARTA 2525

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[1](#)1. (U) This message was coordinated with Consulate Medan.  
It is Sensitive but Unclassified -- Please handle accordingly.

[1](#)2. (SBU) SUMMARY: In the latest corruption news: the former Indonesian Ambassador to Malaysia was convicted and sentenced to prison for overcharging visa applicants; the Attorney General has disciplined three prosecutors who failed to win a conviction against an illegal logging kingpin; and, a private corruption watchdog criticized the GOI's use of closed door dispute resolution mechanisms in some cases of alleged corruption. The GOI continues to investigate a potentially splashy case involving alleged corruption in construction at Indonesia's embassy in Singapore. END SUMMARY.

[1](#)3. (U) AMBASSADOR CONVICTED: Former Indonesian Ambassador to Malaysia Hadi Wayarabi was convicted of corruption by the Anti-Corruption Court on January 2. The Court found Wayarabi and another embassy official guilty of embezzling USD 1.8 million in excess fees paid by Malaysian visa applicants. The men were sentenced to two and half years each of prison time. Hadi could also face up to two additional years in prison if he fails to repay USD 175,000.

[1](#)4. (U) PROSECUTORS DISCIPLINED: The Attorney General's Office announced that three prosecutors involved in the recent acquittal of illegal logging kingpin Adelin Lis will be temporarily demoted. Lis' controversial acquittal has

spurred accusations of incompetence and corruption against police, judges and prosecutors involved in the case (ref B), but to date only the AGO has taken disciplinary action. The sanctions are the latest in a series of moves taken by the AG against prosecutors who fail to perform competently (ref C). Observers have noted, however, that the demotions--which will last for one year only--are less severe than the punishment recommended by the AGO Directorate of Supervision back in December.

15. (U) A CONTROVERSIAL PRACTICE: An anti-corruption research group has published a year-end report criticizing the GOI's use of what the report calls "customary resolution" of disputes involving corruption allegations against state officials. The group defines the practice as the informal resolution of disputes between different government agencies without recourse to legal means.

16. (U) The report cites three examples in which the practice was employed during 2007: a dispute between controversial former minister Yusril Mahendra and the Corruption Eradication Commission (ref A); allegations of ill-gotten gains helping to finance presidential campaigns (ref F); and, a dispute between the Supreme Audit Board and the Supreme Court over the auditing of case fees paid by plaintiffs (ref E). All three matters were allegedly resolved after the disputants were summoned to closed-door high-level meetings and any legal proceedings under way at the time ceased from that point. The report argues that disputes involving corruption allegations are best resolved through the legal system and that the legal process should be allowed to run its course.

17. (SBU) A SPLASHER CASE?: The Wayarabi decision involving the former envoy to Malaysia represents another success for the Corruption Eradication Commission--which investigated and

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prosecuted the case--and the Anti-Corruption Court. In the meantime, allegations of corruption have also been levied against other high-level Foreign Ministry officials--including current Indonesia Ambassador to the U.S. Sudjadnan Parnohadiningrat--who were involved in a construction project involving the Indonesian Embassy in Singapore (see ref d). The government has not yet concluded its investigation into what could turn out to be a very splashy case.

HUME